



CITY COUNCIL

Strategic Planning Committee

Monday, October 3, 2016
Meeting Report

Attending: J. Waltman, B. Twyman, J. Slifko, S. Marmarou, D. Reed, M. Goodman-Hinnershitz, C. Daubert

Others Attending: G. Steckman, A. Palacios, L. Kelleher, T. Coleman, R. Johnson

The meeting was called to order at approximately 6:10 pm by Mr. Waltman.

I. State Representative Caltagirone

Rep. Caltagirone stated that he has introduced legislation that will increase the mandatory training requirements on de-escalating situations for municipal police officers when they do their annual updates.

Rep. Caltagirone stated that he authored HB32 which would consolidate all police pensions into one program which is similar to how the school district pensions are administered. He estimated that this consolidation of police pensions would easily save \$1M annually due to the reduction in overhead costs. He announced his plan to approach the IAFF and rank and file pension programs in the same way. He stated that he believes this first step will eventually lead to a State run pension system for all municipal pensions, which is similar to the school district pensions under the PSER (PA State Employee Retirement) program. He noted that Philadelphia and Pittsburgh will not be included due to the amount of their pension liability.

Mr. Waltman noted the City's interest in the State legislators approving municipality's ability to impose a commuter tax outside of Act 47. He stated that the continuation of the commuter tax would be used on capital costs or costs related to police services, things that have a direct impact on the commuter. He expressed the belief that the City's daytime citizens should make a contribution to the services they use.

Rep. Caltagirone stated that while he understands the need to continue this revenue source, it would be a difficult sale to the boroughs and townships. He noted the need for Council to obtain

support from other 3rd Class Cities. He questioned if the local delegates could secure the votes needed to pass this measure.

Rep. Caltagirone stated that the City has gained approximately \$1M more in Liquid Fuels funds. He also explained that he has obtained State funds to cover the cost of the Penn Street LED street lights, funding for the repaving of Skyline Drive and funding for the Hispanic Center over the past two (2) to three (3) years.

Mr. Waltman explained that the City will need the continuation of the commuter tax when the City leaves Act 47. He stated that the commuters may not object to this small tax if the funding is used to offset costs related to street paving, street lighting and police services. He stated that the City's pension liability will probably push the City back into distressed condition after the City is no longer in Act 47. He expressed the belief that over time pension reform could begin to decompress the pension liability.

Mr. Steckman stated that the City is currently looking to aggregate the three (3) pension funds to reduce overhead costs.

Rep. Caltagirone stated that he is currently seeking funds to repair Glen Road. He stated that two (2) years ago he obtained funding to update the City's bomb truck and affiliated equipment. He stated that he heard the mayor speak about upgrading police equipment in the 2017 budget and he would be willing to approach the PCCD to offset those costs.

Mr. Slifko updated Rep. Caltagirone about the PUC complaint and the litigation related to the gas meter relocation.

Ms. Goodman-Hinnershitz thanked Rep. Caltagirone for his assistance.

Rep. Caltagirone suggested that the City explore the use of a Land Bank, as it is an important land development tool.

Mr. Waltman questioned the State revenue opportunity from online gaming. Rep. Caltagirone stated that the State budget projects \$100M from online gaming.

Council thanked Rep. Caltagirone for taking the time to speak with Council about issues that affect the City. Mr. Waltman stated that Council would like to continue meeting with the State delegation approximately twice per year.

II. 2017 Budget

Ms. Kelleher distributed the schedule of budget review meetings that occurred last year. Mr. Waltman asked Ms. Kelleher to draft a tentative budget review schedule for the 2017 budget and

have it ready for discussion at Monday's COW. He also asked Ms. Kelleher to schedule Mr. Mann from PFM to attend to discuss how the budget complies with the Act 47 Recovery Plan.

Mr. Steckman explained that the Recovery Plan requires the City to negotiate away the FOP benefit (up to 70% pension and the purchase of ghost time) for officers who were employed prior to 2012. However, the former administration did not undertake that task so the Plan requires the City to either reduce the police manning by seven (7) officers or have the officers take a 3.5% salary reduction. He stated that this initiative is very poorly worded in the Recovery Plan.

Mr. Steckman stated that the City's pension obligation will be flat for 2017, as we are between actuarial periods. He stated that the pension program is currently at Distress Level 2; however, looking at the pensions cumulatively, the program is headed to Distress Level 3.

The group had a lengthy discussion about exiting from Act 47, keeping Reading financially healthy and restoring the trust of citizens and employees.

The group next discussed the proposed program to rehabilitate or demolish blighted properties. Ms. Slifko suggested developing a program to market blighted properties.

Ms. Kelleher explained that a program to market blighted properties was developed by internal staff around 2012, before the Spencer administration stopped the work of the staff members.

Mr. Steckman stated that the budget contains increased funding for the Rec Commission, the Library and BCTV.

III. Penn Square Properties

Mr. Steckman stated that they are working to reschedule meetings to discuss the unwinding of the BEDI Grant, Section 108 Loan and other related agreements.

The Strategic Planning Committee meeting concluded at approximately 7:45 pm.

Respectfully submitted
Linda A. Kelleher CMC, City Clerk

Follow-up Items

September Strategic Planning

- Housing and Codes Strategy
- BPT, LST and Per Capita Collection
- Penn Square Properties